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MAY 28 2010

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)
CRAWFORDSVILLE ELECTRIC LIGHT)
& POWER FOR APPROVAL OF A NEW)
SCHEDULE OF RATES AND CHARGES)
FOR ELECTRIC SERVICE)

CAUSE NO. 43773

**VERIFIED SUPPLEMENTAL TESTIMONY
AND EXHIBITS IN SUPPORT OF SETTLEMENT**

OF

**PHILLIP R. GOODE,
AND
PAUL G. GARCIA**

**On Behalf of the Petitioner,
Crawfordsville Electric Light & Power**

May 28, 2010

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**STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION**

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FOR ELECTRIC SERVICE)	CAUSE NO. 43773

**SUPPLEMENTAL TESTIMONY
IN SUPPORT OF SETTLEMENT AGREEMENT OF
OF
PHILLIP R. GOODE**

**On Behalf of the Petitioner,
Crawfordsville Electric Light & Power**

Petitioner's Exhibit PRG-S

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is Phillip R. Goode. My business address is 808 Lafayette Road,
3 Crawfordsville, Indiana.

4 **Q. ARE YOU THE SAME PHILLIP R. GOODE WHO SPONSORED REBUTTAL**
5 **TESTIMONY IN THIS CAUSE?**

6 A. Yes, I am.

7 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

8 A. The purpose of my supplemental testimony is to support and explain certain terms of the
9 "Joint Stipulation and Agreement Between the City of Crawfordsville and the Office of
10 Utility Consumer Counselor" (hereinafter referred to as the "Settlement Agreement"), a
11 copy of which is attached as Exhibit PRG-S-1. Specifically, I will testify that the
12 agreed-upon rates and charges reflected in the Settlement Agreement will provide
13 Crawfordsville Electric Light & Power ("CEL&P" or "Petitioner") with sufficient funds
14 to pay its legal and other necessary expenses and to continue to provide adequate and
15 reliable electric service to its customers. I also will describe the conditions in the
16 Settlement Agreement with respect to accounting issues and CEL&P's relationship with
17 its information and video services division, Accelplus.

18 **Q. UNDER THE SETTLEMENT AGREEMENT WHAT IS THE AMOUNT OF THE**
19 **AGREED-UPON RATE INCREASE?**

20 A. Petitioner and the Office of Utility Consumer Counselor ("OUCC") (collectively, the
21 "Parties") agreed that CEL&P's pro forma operating revenues from rates and charges for

1 service should be increased by \$1,699,669, or 5.81%, utilizing a 4.63% return on net
2 utility plant in service.

3 **Q. HOW WILL THE PRO FORMA OPERATING REVENUE INCREASE BE**
4 **ALLOCATED AMONG THE CUSTOMER CLASSES?**

5 A. CEL&P engaged the services of The Prime Group, LLC to prepare and submit a cost of
6 service study allocating the proposed increase set forth in the October 8, 2009 case-in-
7 chief among the customer classes in accordance with the results of the cost-of-service
8 study. The preparation of a cost-of-service study was doubly important in this Cause
9 since the last increase in base rates for CEL&P was in 1992. The Parties agreed in the
10 Settlement Agreement that CEL&P should use the cost-of-service study prepared by The
11 Prime Group, LLC to establish a new schedule of rates and charges implementing the
12 authorized increase in operating revenues. The Parties further agreed to the proposed
13 reductions in subsidy/excess revenues reflected in the cost-of-service study and proposed
14 resulting rate design. Copies of the tariff sheets implementing the proposed revised rates
15 and charges for electric service are attached as Exhibits PGG-5 and PGG-6 to the
16 Supplemental Testimony of Paul G. Garcia.

17 **Q. DID CEL&P ACCEPT ALL OF THE PRO FORMA ADJUSTMENTS**
18 **DESCRIBED IN THE PRE-FILED TESTIMONY OF DUANE P. JASHEWAY**
19 **FILED ON BEHALF OF THE OUCC?**

20 A. While most of the OUCC's proposed pro forma adjustments were accepted, CEL&P did
21 not accept the entirety of the OUCC's adjustment to labor expense. OUCC witness
22 Jasheway based the adjustment on the OUCC's assumption that CEL&P employees

1 should be allocating their time differently between the electric utility and Accelplus. For
2 purposes of allocating costs between CEL&P and Accelplus, shared employees are
3 required to complete daily timesheets indicating the amount of time spent working on
4 Accelplus and CEL&P issues. Petitioner then invoices Accelplus for payroll costs and
5 employee benefits. As the recently appointed General Manager of CEL&P, I oversee the
6 employees involved in allocating their time and the process of billing Accelplus.

7 As part of settlement negotiations with the OUCC, we reached a compromise
8 regarding this particular issue as one component of an overall settlement of all issues.
9 Ultimately, CEL&P agreed to decrease its pro forma labor expenses by \$103,225, instead
10 of using the OUCC's proposed \$195,142 reduction in labor expenses. In my opinion, the
11 agreement on this issue provides a balance between the concerns Mr. Jasheway raised in
12 his testimony and my confidence that employees of both divisions have been and will
13 continue to diligently and correctly record their time.

14 **Q. MR. GOODE, WAS THE AMOUNT OF THE AGREED-UPON RATE INCREASE**
15 **THE RESULT OF ARMS LENGTH NEGOTIATIONS BETWEEN THE OUCC**
16 **AND REPRESENTATIVES OF CEL&P?**

17 **A.** Yes. The Settlement Agreement was the product of lengthy negotiations between
18 Petitioner and the OUCC, which largely took place after CEL&P filed its rebuttal
19 testimony. The Parties negotiated off and on during the entire week of May 3, 2010, and
20 ultimately reached an agreement in principal during the evening of Friday, May 7, 2010.
21 Even then, there still were issues to be resolved between the parties, which we worked

1 out during a face-to-face meeting between the parties and their respective witnesses on
2 the morning of Monday, May 10, 2010 – the scheduled date of the evidentiary hearing.

3 **Q. PLEASE EXPLAIN THE PROVISION IN SECTION 6 OF THE SETTLEMENT**
4 **AGREEMENT RELATING TO ADHERENCE TO POLICIES ESTABLISHED**
5 **BY RESOLUTION NO. 01, 2010 ADOPTED BY THE UTILITY SERVICE**
6 **BOARD.**

7 A. On April 29, 2010, the City of Crawfordsville Utility Service Board adopted Resolution
8 No. 01, 2010, which sets forth certain policies with respect to future dealings between
9 CEL&P and Accelplus. Among other things, the Resolution requires CEL&P and
10 Accelplus to maintain proper, sufficient and separate books and records. CEL&P also is
11 prohibited from loaning monies to Accelplus, providing services to Accelplus below
12 costs and paying for any losses attributable to Accelplus. As indicated in my rebuttal
13 testimony, as General Manager, I intend to make sure that CEL&P personnel adhere to
14 the Utility Service Board's directives. Therefore, CEL&P agreed to incorporate the
15 Board's directives into the Settlement Agreement, with the understanding that those
16 requirements will be further incorporated into the Commission's final Order in this
17 Cause, if the Commission approves the Settlement Agreement.

18 **Q. PLEASE DESCRIBE SECTION 7 OF THE SETTLEMENT AGREEMENT**
19 **REGARDING THE USE OF BEST EFFORTS TO OBTAIN REPAYMENT OF**
20 **LOANS TO ACCELPLUS.**

21 A. Mr. Jasheway noted in his testimony that over the years CEL&P has made several loans
22 to Accelplus. The loans were made from monies in CEL&P's depreciation fund.

1 Resolution No. 01, 2010 makes it clear that "CEL&P shall not loan any additional monies
2 to Accelplus or assume any obligation or liability of Accelplus as a guarantor, endorser,
3 surety or otherwise after February 28, 2010." I also personally do not believe it is
4 appropriate for CEL&P to be loaning money to Accelplus. Therefore, based on the
5 Resolution and the terms of the Settlement Agreement, there will be no future loans made
6 from CEL&P to Accelplus.

7 In Section 7 of the Settlement Agreement, CEL&P has agreed to use its best
8 efforts to obtain repayment of loans made to Accelplus. I would note that the loans made
9 in the past by CEL&P are subordinate to the outstanding "City of Crawfordsville, Indiana
10 Communications Lease Revenue Certificates of Participation, Series 2006" (the
11 "Certificates of Participation"), which Accelplus is required to repay from its
12 communications and video services revenues. That being said, if Accelplus continues to
13 operate as a division of CEL&P and is able to generate sufficient revenues in the future to
14 pay its operating expenses and meet its obligations under the Certificates of Participation,
15 CEL&P will endeavor to obtain repayment of the outstanding loans discussed in Mr.
16 Jasheway's testimony. I believe it is appropriate for Accelplus to repay funds loaned by
17 CEL&P; the issue is when and whether it will be able to do so.

18 **Q. WILL MONEY PREVIOUSLY LOANED TO ACCELPLUS HAVE AN IMPACT**
19 **ON ELECTRIC UTILITY RATEPAYERS?**

20 **A.** No. The loans were made from CEL&P's depreciation fund beginning over seven years
21 ago and had no impact on the revenue requirements in this case.

1 **Q. PLEASE DESCRIBE THE REPORTING REQUIREMENTS SET FORTH IN**
2 **SECTION 9 OF THE SETTLEMENT AGREEMENT.**

3 A. As part of the Settlement Agreement, CEL&P agreed to: (i) provide the OUCC with
4 monthly invoices submitted to Accelplus and the check remitted by Accelplus to
5 compensate CEL&P for services rendered; (ii) provide copies of future audit reports
6 issued by the State Board of Accounts; and (iii) notify the OUCC if its Board makes a
7 determination to sell, decommission, or otherwise dispose of CEL&P's 24 MW electric
8 generating facility. The first two reporting requirements will continue for a period of two
9 years, or until such time as Petitioner receives an unqualified audit or examination report
10 from the Indiana State Board of Accounts, whichever period is longer.

11 **Q. WHAT IS THE PURPOSE OF THE ABOVE REPORTING REQUIREMENTS?**

12 A. As discussed in my rebuttal testimony, CEL&P is working diligently to rectify the issues
13 recently raised by the Indiana State Board of Accounts regarding its books and records.
14 CEL&P retained H.J. Umbaugh & Associates ("Umbaugh") to make any necessary
15 corrections to its accounting records. I, along with Umbaugh personnel, have been open
16 and transparent with the Utility Service Board, Common Council and the OUCC
17 regarding our efforts to rectify the issues raised by the State Board of Accounts. I am
18 confident that we have corrected the issues identified by the State Board of Accounts and
19 look forward to the opportunity to advise the OUCC that the issues have been corrected.
20 In my view, the reporting obligations agreed to in the Settlement Agreement will
21 continue to foster the open relationship developed between CEL&P and the OUCC in this
22 proceeding. Therefore, as part of the Settlement Agreement, CEL&P was willing to

1 agree to continue to provide information the OUCC believes will be helpful regarding
2 accounting issues and any other matters.

3 **Q. DID CEL&P AGREE TO ANY OTHER REQUIREMENTS AS PART OF THE**
4 **SETTLEMENT AGREEMENT?**

5 A. Yes. CEL&P agreed that it will not withdraw from Commission jurisdiction for approval
6 of rates and charges and the issuance of stocks, bonds, notes, or other evidence of
7 indebtedness, as provided for under IC 8-1.5-3-9, for a period of two years, or until such
8 time as it receives an unqualified audit or examination report from the Indiana State
9 Board of Accounts, whichever period is longer. CEL&P had not contemplated
10 withdrawing from Commission jurisdiction, but the OUCC wanted to include this
11 provision in the Settlement Agreement.

12 **Q. IN YOUR OPINION MR. GOODE, WILL THE INCREASE IN OPERATING**
13 **REVENUES AGREED TO IN THE SETTLEMENT AGREEMENT PRODUCE**
14 **AN INCOME SUFFICIENT TO MAINTAIN THE UTILITY PROPERTY IN A**
15 **SOUND PHYSICAL AND FINANCIAL CONDITION SO AS TO RENDER**
16 **ADEQUATE AND EFFICIENT SERVICE?**

17 A. Yes, I believe implementation of the rates and charges resulting from the Settlement
18 Agreement will produce the minimum income sufficient to satisfy the requirements of IC
19 8-1.5-3-8. Accordingly, I recommend that the Commission approve the Settlement
20 Agreement, as filed.

21 **Q. DOES THIS CONCLUDE YOUR PREPARED SUPPLEMENTAL TESTIMONY?**

22 A. Yes, it does.

VERIFICATION

STATE OF INDIANA)
) ss:
COUNTY OF MONTGOMERY)

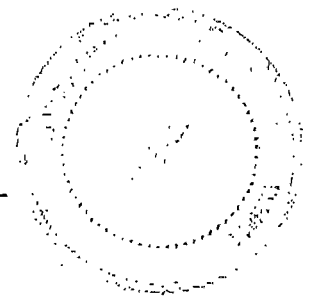
The undersigned, Phillip R. Goode, under penalties of perjury and being first duly sworn on his oath, says that he caused to be prepared and read the foregoing Supplemental Testimony in Support of Settlement; and that the representations set forth therein are true and correct to the best of his knowledge, information and belief.

Phillip R. Goode
By: Phillip R. Goode
Crawfordsville Electric Light & Power

Subscribed and sworn to before me, a Notary Public, this 26 day of May, 2010.

V. Kay Collis
Signature

V. Kay Collis
Printed Name



My Commission Expires: 11/12/2014

My County of Residence: Montgomery

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE PETITION OF)	
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JOINT STIPULATION AND AGREEMENT BETWEEN
THE CITY OF CRAWFORDSVILLE AND
THE INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR

On September 1, 2009, the City of Crawfordsville, Indiana, by its municipal electric utility, Crawfordsville Electric Light & Power ("Petitioner" or "CEL&P"), filed with the Indiana Utility Regulatory Commission ("Commission") a Verified Petition for authority to increase its rates and charges for electric utility service, and for approval of a new schedule of rates and charges applicable thereto. Prior to the May 10, 2010 public evidentiary hearing in this Cause, Petitioner and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively the "Parties") communicated with each other regarding the possibility of settling this Cause and notified the Commission that they had reached an agreement with respect to all of the issues before the Commission subject to preparation and execution of a written definitive agreement. Petitioner and the OUCC agree to the following matters and request the Commission to enter the proposed Final Order which is attached hereto as Joint Settlement Exhibit 3.

1. Petitioner's Operating Revenues. The Parties have reached an agreement concerning the revenue requirements for Petitioner under IC 8-1.5-3-8, which agreement is reflected in the accounting schedule attached as Joint Settlement Exhibit 1. The Parties

agree that Petitioner's total pro forma operating revenues are \$29,194,832. As shown on Joint Settlement Exhibit 1, the Parties agree that Petitioner's pro forma operating revenues from retail sales should be increased by \$1,699,669 in arriving at the pro forma total operating revenues at proposed rates of \$30,894,501, representing a 5.81% increase in rates and charges from sales to retail customers.

2. Petitioner's Annual Revenue Requirements. Petitioner's annual revenue requirements determined pursuant to IC 8-1.5-3-8 on the evidence of record and agreed to by the Parties, are as follows:

a. Operating Expenses Including Cost of Purchased Power. Petitioner's annual revenue requirement for operating expenses, including the cost of purchased power is \$27,627,604.

b. Taxes. Petitioner's annual revenue requirement for payment in lieu of taxes, Indiana Utility Receipts Tax and FICA is \$1,093,422.

d. Depreciation Expense. Petitioner's annual revenue requirement for depreciation expense is \$1,368,038.

e. Return on Plant. Petitioner's annual revenue requirement for a reasonable return of 4.63% on net plant of \$18,564,718 is \$859,546.

f. Interest Income. The Parties agree that Petitioner's total cash revenue requirement should be offset by the amount of Petitioner's pro forma interest income for the twelve months ended March 31, 2010 in the amount of \$77,904.

g. Utility Receipts Tax. The Parties agree that Petitioner's total cash revenue requirement should be increased by \$23,795 to account for the increase in Petitioner's Indiana Utility Receipts Tax resulting from the proposed rate increase.

3. Petitioner's Aggregate Annual Revenue Requirement. Petitioner's annual revenue requirement is \$30,894,501, as detailed below:

Operating Expenses	\$27,627,604
Taxes	1,093,422
Depreciation	1,368,038
Return on Plant	<u>859,546</u>
Total Revenue Requirement	\$30,948,610
Less: Interest Income	(\$77,904)
Plus: Utility Receipts Tax (1.4% of increase)	\$23,795
Annual Revenue Requirement	\$30,894,501

4. Amount of Stipulated Rate Increase and Approval of Changes to Rate Schedules. The Parties agree that Petitioner's current rates and charges for electric service should be increased so as to produce additional operating revenues from retail sales of \$1,699,669 and total pro forma operating revenues of \$30,894,501, representing a 5.81% increase in rates and charges, as shown in Joint Settlement Exhibit 1.

5. Allocation of Agreed Upon Increase in Operating Revenues. The Parties agree that the cost-of-service study prepared by The Prime Group, LLC (submitted as Petitioner's Exhibits WSS-7 through WSS-17 and described in the direct and supplemental testimony of William Steven Seelye) is reasonable and should be used by Petitioner to establish a new schedule of rates and charges implementing the authorized increase in operating revenues. The Parties further agree to the proposed reductions in subsidy/excess revenues reflected in CEL&P's cost-of-service study and resulting rate design.

6. Adherence to Policies Established by Resolution No. 01, 2010. Petitioner agrees to adhere to the policies regarding the relationship between CEL&P and its information and video services division, known as Accelplus, which are set forth in Resolution No. 01, 2010 adopted by the Utility Service Board of the City of Crawfordsville, Indiana on April 29, 2010. A copy of Resolution No. 01, 2010 was attached to the rebuttal testimony of Phillip R. Goode as Petitioner's Exhibit PRG-R-1.

The policies set forth in the Resolution are restated below:

- a. CEL&P and Accelplus shall maintain proper and sufficient records in enough detail to enable appropriate review and verification of the allocation of costs and expenses incurred between the two divisions. CEL&P and Accelplus also shall maintain separate revenue and expense accounts.
- b. CEL&P shall continue its policy of not providing equipment and/or services to Accelplus below cost.
- c. Any losses attributable to Accelplus shall not be paid for by CEL&P or recovered from electric customers through rates.
- d. CEL&P shall not loan any additional monies to Accelplus or assume any obligation or liability of Accelplus as a guarantor, endorser, surety or otherwise after February 28, 2010.
- e. CEL&P shall not pledge, mortgage or otherwise use as collateral any electric utility assets for the benefit of Accelplus.

7. Best Efforts to Obtain Repayment of Loans to Accelplus. Petitioner will use its best efforts to obtain from Accelplus repayment of the principal amount of the loans made by CEL&P to Accelplus. The cumulative outstanding principal balance of these loans as of February, 2010 was \$3,065,673. (*see*, Public's Exhibit No. 1 at 20.) The Parties, however, recognize that the loans previously made by CEL&P to Accelplus are subordinate to the outstanding "City of Crawfordsville, Indiana Communications Lease Revenue Certificates of Participation, Series 2006" (the "Certificates of

Participation”). The Certificates of Participation are not secured by revenues from CEL&P.

8. Agreement to Not Withdraw from Commission Jurisdiction. Petitioner agrees that it will not withdraw from Commission jurisdiction for approval of rates and charges and the issuance of stocks, bonds, notes, or other evidence of indebtedness, as provided for under IC 8-1.5-3-9, for a period of two (2) years, or until such time as it receives an unqualified audit or examination report from the Indiana State Board of Accounts, whichever period is longer.

9. Reporting Requirements. The Parties agree that Petitioner will comply with the reporting requirements set forth below.

- a. On a monthly basis, Petitioner will provide to the OUCC a copy of the invoice it submits to Accelplus for operating expenses attributable to Accelplus’ operations. Such operating expenses include payroll costs, employee benefits, phone usage and rent. A copy of the April 6, 2010 invoice for Accelplus expenses incurred by CEL&P during February of 2010 is attached hereto as Joint Settlement Exhibit 2. Petitioner also will provide the OUCC on a monthly basis with a copy of the check issued by Accelplus for the previous month’s invoiced operating expenses. This reporting requirement shall continue for a period of two (2) years, or until such time as Petitioner receives an unqualified audit or examination report from the Indiana State Board of Accounts, whichever period is longer.
- b. Petitioner will provide the OUCC with copies of all future audit reports issued by the Indiana State Board of Accounts. This requirement shall continue for a period of two (2) years, or until such time as Petitioner receives an unqualified audit or examination report from the State Board of Accounts, whichever period is longer.
- c. Petitioner will notify the OUCC in the event the Utility Service Board of the City of Crawfordsville makes a determination to sell, decommission, or otherwise dispose of CEL&P’s 24 MW electric generating facility.

10. Admission of Evidence. The Parties stipulate to the admission into evidence of their respective pre-filed testimony and exhibits, including CEL&P's direct, supplemental and rebuttal testimony and exhibits, the OUCC's direct testimony and the Parties' testimony in support of the Settlement Agreement. The Parties further agree to waive cross-examination of the other Party's witnesses. The Parties will jointly sponsor this Settlement Agreement and Joint Settlement Exhibits 1 through 3 at the June 9, 2010 settlement hearing.

11. Mutual Conditions on Settlement Agreement. The Parties agree for purposes of establishing new rates and charges for Petitioner that the terms and conditions set forth in this Settlement Agreement are supported by the evidence and based on the Parties' independent review of the evidence, represent a fair, reasonable and just resolution of all the issues in this Cause, subject to their incorporation in a Final Order without modification or further condition, which may be unacceptable to either party. If the Commission does not approve this Settlement Agreement in its entirety and incorporate it into a Final Order as provided above, it shall be null and void and deemed withdrawn, unless otherwise agreed to in writing by the Parties. Petitioner and the OUCC represent that there are no other agreements in existence between them relating to the matters covered by this Settlement Agreement.

12. Non-Precedential. As a condition precedent to the Settlement Agreement, the Parties condition their agreement on the Commission providing assurance in the Final Order issued herein that it is not the Commission's intent to allow this Settlement Agreement or the Order approving it to be used as an admission or as a precedent against the signatories hereto except to the extent necessary to enforce the terms of the

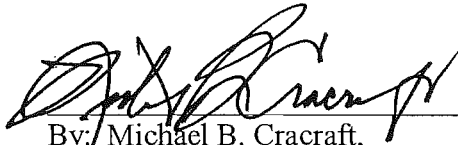
Settlement Agreement. The Parties agree that this Settlement Agreement shall not be construed nor be cited as precedent by any person or deemed an admission by any party in any other proceeding except as necessary to enforce its terms before the Commission, or before any court of competent jurisdiction on these particular issues. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein is without prejudice to and shall not constitute a waiver of any position that either of the Parties may take with respect to any or all of the items resolved herein in any future regulatory or other proceedings and, failing approval by the Commission, shall not be admissible in any subsequent proceedings.

13. Authority to Stipulate. The undersigned have represented and agreed that they are fully authorized to execute this Settlement Agreement on behalf of their designated clients who will be bound thereby.

Respectfully submitted,

Dated: May 27, 2010

CITY OF CRAWFORDSVILLE, INDIANA


By: Michael B. Cracraft,
Attorney for the City of Crawfordsville

Dated: May 27, 2010

INDIANA OFFICE OF UTILITY CONSUMER
COUNSELOR


By: Terry W. Tolliver
Deputy Consumer Counselor

Crawfordsville Electric Light & Power
Cause No. 43773

Description:	Per Petitioner As corrected	Per OUCC	Settlement
Operating Revenue	30,214,240	29,194,832	29,194,832
Operating Expenses (less depreciation expense)	29,214,291	27,535,687	27,627,604
Taxes	1,147,595	1,093,422	1,093,422
Depreciation	1,368,038	1,368,038	1,368,038
Less: Pro Forma Interest Income			(77,904)
Less: Adjusted Net Operating Income	(1,515,684)	(802,316)	(816,328)
Net Operating Income (Return on Plant)	1,407,505	(0)	859,546
Increase in Operating Income	2,923,189	802,316	1,675,874
Add: Additional Indiana Utility Receipts Tax	0.986	0.986	0.986
Net Revenue Increase Required	2,964,695	813,707	1,699,669
Percentage Increase	9.81%	2.79%	5.81%
Rate of Return	7.50%	0.00%	4.63%



INVOICE



DATE APRIL 6, 2010

TO: ACCELPLUS
P O BOX 428
CRAWFORDSVILLE IN 47933

FROM: CRAWFORDSVILLE ELECTRIC LIGHT & POWER
P O BOX 428
CRAWFORDSVILLE IN 47933

BILLING MONTH: FEBRUARY 2010

DUE DATE: UPON RECEIPT

SERVICE:	AMOUNT:
Payroll Cost (1457.75hrs.)	\$35,455.78
Employee Benefits	14,796.05
Phone Usage	145.39
Rent	3,449.76
MISCELLANEOUS	111.54

Total \$53,958.52

PLEASE RETURN ONE COPY WITH REMITTANCE.

pd 4-27-10

STATE OF INDIANA

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BY THE COMMISSION

James D. Atterholt, Commissioner

Angela Rapp Weber, Administrative Law Judge

On September 1, 2009, the City of Crawfordsville, Indiana, by its municipal electric utility, Crawfordsville Electric Light & Power ("Petitioner" or "CEL&P"), filed with the Indiana Utility Regulatory Commission ("Commission") its Petition for authority to increase its rates and charges for electric utility service and for approval of a new schedule of rates and charges applicable thereto. In support of the relief requested in its Petition, Petitioner filed on October 8, 2009, the direct testimony and exhibits of Roy E. Kaser, John Lamb and William Steven Seelye, Principal and Senior Consultant of The Prime Group, LLC.

Pursuant to notice duly published as required by law, a Prehearing Conference was held on October 8, 2009 at 2:30 P.M. in Judicial Courtroom 222 of the National City Center, Indianapolis, Indiana. Petitioner and the Indiana Office of Utility Consumer Counselor ("OUCC") attended the Prehearing Conference. No members of the general public attended. On October 21, 2009, the Commission issued a Prehearing Conference Order, in which it established the initial dates for the prefiling of testimony and exhibits by the parties and the hearing of evidence.

Pursuant to notice duly published as required by law, the Commission held a field hearing on December 21, 2009 at Crawfordsville High School, One Athenian Drive

Crawfordsville, Indiana. During the field hearing, four members of the general public provided oral comments.

On March 16, 2009, Petitioner filed the direct testimony and exhibits of John M. Seever, C.P.A. Mr. Seever is a partner in the firm of H.J. Umbaugh and Associates, Certified Public Accountants LLP (“Umbaugh”). Mr. Seever sponsored the exhibits and supporting schedules prepared from CEL&P’s books and records, reflecting Petitioner’s financial condition (net assets) and results of operations (changes in net assets) for the test period ending March 31, 2009.

On March 22, 2010, the Commission conducted a Technical Conference in this matter to discuss the State Board of Audits Report and the OUCC’s audit of CEL&P’s financial data. Petitioner informed the Presiding Officers and the OUCC that it intends to file with the Commission updated schedules as a result of a review of its financial data by Umbaugh.

On March 26, 2010, Petitioner filed the supplemental testimony and exhibits of William Steven Seelye. Mr. Seelye’s supplemental testimony updated the analyses described in his direct testimony relating to CEL&P’s revenue requirements and rate design based on the updates to accounting entries on Petitioner’s books and records described by Mr. Seever. (See, Pet. Ex. WSS-S at 1-2.)

On April 23, 2010, Petitioner filed a “Notice of Substitution of Witnesses” indicating that Phillip R. Goode, General Manager of CEL&P, would be adopting and sponsoring the direct testimony and exhibits of Petitioner’s witness, Roy E. Kaser due to the fact that Mr. Kaser retired from CEL&P in January 2010.

The OUCC filed the direct testimony and exhibits of Duane P. Jasheway on April 26, 2010. Petitioner filed the rebuttal testimony of Phillip R. Goode, John M. Seever and William Steven Seelye on May 3, 2010.

Prior to the commencement of the May 10, 2010 public evidentiary hearing in this Cause, Petitioner and the OUCC notified the Commission that they had reached a settlement agreement with respect to all of the issues before the Commission, subject to preparation and execution of a written definitive agreement. The Commission continued the May 10, 2010 evidentiary hearing to June 9, 2010 to allow the parties an opportunity to prepare a definitive settlement agreement and evidence in support thereof.

On May 28, 2010, Petitioner and the OUCC (collectively, the “Parties”) filed a Stipulation and Settlement Agreement (the “Settlement Agreement”) resolving all issues in this Cause. Also on May 28, 2010, Petitioner filed the testimony and exhibits of Phillip R. Goode and Paul G. Garcia, Senior Consultant with The Prime Group, LLC, in support of the Settlement Agreement. On the same day, the OUCC filed the direct testimony of [Duane P. Jasheway] in support of the Settlement Agreement.

Pursuant to notice duly published as required by law, a settlement hearing was commenced in this Cause on June 9, 2010, at 9:30 A.M. in Judicial Courtroom 222 of the National City Center, Indianapolis, Indiana. Petitioner offered into evidence the direct testimony and exhibits of Roy E. Kaser (adopted and sponsored by CEL&P’s new General Manager, Phillip R. Goode), Mr. Seelye and Mr. Seever. Petitioner also offered into evidence the supplemental testimony of Mr. Seelye, as well as the rebuttal testimony of Mr. Goode, Mr. Seever and Mr. Seelye. In addition, Petitioner offered into evidence the testimony of Mr. Goode and Mr. Garcia in support of the settlement agreement. The OUCC offered into evidence the direct testimony and exhibits of Duane P. Jasheway, as well as his testimony in support of the Settlement Agreement. Neither Party objected to the admission into evidence of the other Party’s testimony and exhibits. Both Parties waived cross-examination of all witnesses. The Parties also offered into evidence Joint Exhibit 1, which consisted of the Settlement Agreement,

with supporting exhibits, including a form of proposed Order for the Commission's consideration. No members of the general public appeared or were present at the settlement hearing in this Cause.

Based upon the applicable law and the evidence herein and being duly advised, the Commission now finds that:

1. **Statutory Notice and Commission Jurisdiction.** Due, legal and timely notice of the public hearings conducted by the Commission in this Cause was given and published as required by law. The City of Crawfordsville, Indiana is a municipality, owning and operating its own electric utility known as Crawfordsville Electric Light & Power. Petitioner is a "municipally-owned utility" within the meaning of the Public Service Commission Act, as amended. Petitioner is subject to the jurisdiction of this Commission in the manner and to the extent provided by the laws of the State of Indiana. The Commission, therefore, has jurisdiction over the Parties and the subject matter of this Cause.

2. **Petitioner's Characteristics.** Petitioner is authorized to and is engaged in the furnishing of electricity to residential, commercial, industrial and other customers located within its assigned service area. Petitioner owns and operates electric transmission, distribution, substation and power production facilities, including a coal-fired electric generating plant with a capacity of 24 MW. The City of Crawfordsville, Indiana is a member of the Indiana Municipal Power Agency ("IMPA") and Petitioner dedicates the entire output and capacity of its generating plant to IMPA under the terms of a Capacity Purchase Agreement. Petitioner purchases all of its power and energy requirements from IMPA, pursuant to the terms of a Power Sales Contract. Petitioner's current schedule of rates and charges was placed into effect following the Commission's Order in Cause No. 39381 on December 2, 1992.

3. **Relief Requested and Settlement Agreement.** In its case-in-chief, Petitioner requested approval to increase its rates and charges for electric service to recover the statutory revenue requirements enumerated in IC 8-1.5-3-8, including a 7.5% return on its net investment in utility plant. Petitioner requested an increase of \$2,964,695, 9.81%, in its annual operating revenues from rates and charges for service. Petitioner also proposed to restructure its rates and charges based upon the results of a cost-of-service study prepared and sponsored by Mr. Seeyle.

The OUCC recommended that the Commission approve an increase in CEL&P's base rates and charges to increase its operating revenue by \$813,707, or 2.79%. (See, Public's Ex. 1 at 25.) The OUCC further requested that the Commission impose certain other requirements relating to Petitioner's relationship with its information and video services division, known as Accelplus. In the Settlement Agreement, Petitioner and the OUCC agreed that Petitioner's pro forma operating revenues from rates and charges for service should be increased by \$1,699,669, or 5.81%, utilizing a 4.63% return on net plant in service. (Joint Settlement Exhibit 1). The Parties further agreed to certain other matters described below.

4. **Test Period.** The test period selected for determining Petitioner's revenues and expenses reasonably incurred in providing electric utility service to its customers was the twelve months ended March 31, 2009. With adjustments for changes that are fixed, known and measurable, we find this test period is sufficiently representative of Petitioner's normal operations to provide reliable data for ratemaking purposes.

5. **Operating Revenue.** The OUCC and the Petitioner agree that Petitioner's pro forma operating revenues for the test period were \$29,194,832. (Joint Settlement Exhibit 1).

6. **Petitioner's Revenue Requirement.** Indiana Code 8-1.5-3-8 establishes the revenue requirement elements which this Commission must apply in determining reasonable and just rates and charges for a municipally-owned utility. Certain of the elements are cash revenue

requirements, which Petitioner would need to pay as legal and other necessary expenses incident to the operation of its electric utility. These elements are:

- (a) maintenance costs, operating charges, including the cost of purchased power, upkeep and repairs;
- (b) taxes, including payments in lieu of taxes;
- (c) interest charges on bonds or other obligations, including leases;
- (d) a sinking fund for the liquidation of bonds or other obligations, including leases;
- (e) revenue needed to “provide adequate money for working capital;” and
- (f) adequate money for making extensions and replacements to the extent not provided for through depreciation expense.

It is the intention of Indiana Code 8-1.5-3-8 that rates and charges produce an income sufficient to maintain a municipally-owned utility’s property in a sound physical and financial condition to render adequate and efficient service. Rates and charges that are too low to meet the foregoing requirements are unlawful. Petitioner’s municipal legislative body also elected to include a reasonable return on the utility plant of the electric utility in accordance with IC 8-1.5-3-8(f). As noted above, the Parties have agreed to the level of Petitioner’s annual revenue requirements, which are reflected in Joint Settlement Exhibit 1 and summarized below.

Based on the evidence, we now make our findings on Petitioner’s revenue requirements.

a. **Operating Expenses Including Cost of Purchased Power.** The Parties have agreed to an amount which Petitioner should use for its pro forma revenue requirement for operating expenses, including the cost of purchased power. We find that \$27,627,604 (Joint Settlement Exhibit 1) should be used as Petitioner’s revenue requirement for operating expenses, including the cost of purchased power, and is reasonable and supported by the evidence.

b. **Taxes.** The Parties agree that Petitioner’s revenue requirement for payment in lieu of taxes, Indiana Utility Receipts Tax and FICA is \$1,093,422 (Joint Settlement Exhibit 1). We find this amount to be reasonable and supported by the evidence.

c. **Depreciation Expense.** The Parties agree that Petitioner's revenue requirement for depreciation expense is \$1,368,038 (Joint Settlement Exhibit 1). We find this amount to be reasonable and supported by the evidence.

d. **Return on Net Plant.** The Parties agree that Petitioner's annual revenue requirement for a reasonable return of 4.63% on net plant of \$18,564,718 is \$859,546 (Joint Settlement Exhibit 1). We find this amount to be reasonable and supported by the evidence.

e. **Non-Operating Revenue.** The Parties agree that Petitioner's revenue requirement should be offset by the amount of Petitioner's pro forma interest income for the twelve months ended March 31, 2010 in the amount of \$77,904 (Joint Settlement Exhibit 1). We find this amount to be reasonable and supported by the evidence.

f. **Utilities Receipts Tax.** The Parties agree that Petitioner's rates and charges should be increased by the incremental amount of \$23,795 to account for Indiana Utility Receipts Tax resulting from the annual increase in operating revenues.

g. **Annual Revenue Requirements.** Based upon our findings above, we find that Petitioner's annual net revenue requirement is \$30,894,501, as detailed below:

Operating Expenses	\$27,627,604
Taxes	1,093,422
Depreciation	1,368,038
Return on Plant	<u>859,546</u>
Total Revenue Requirement	\$30,948,610
Less: Interest Income	(\$77,904)
Plus: Utility Receipts Tax (1.4% of increase)	\$23,795
Net Annual Revenue Requirement	\$30,894,501

We, therefore, find Petitioner's current rates and charges, which produce annual operating revenues of \$29,194,832, are insufficient to provide for Petitioner's annual revenue requirements and are, therefore, unreasonable and unlawful.

7. **Authorized Rates.** Petitioner's current rates and charges for retail electric service should be increased so as to produce additional operating revenues from rates and charges for service of \$1,699,669 and total pro forma operating revenues of \$30,894,501, representing a 5.81% increase in rates and charges, as shown in Joint Settlement Exhibit 1.

8. **Cost-of-Service Study and Rate Design:** Petitioner submitted for the record a cost-of-service study prepared by The Prime Group, LLC. The Parties agree the cost-of-service study is reasonable and should be used by Petitioner to establish a new schedule of rates and charges implementing the authorized increase in operating revenues. The Parties further agree to the proposed reductions in subsidy/excess revenues reflected in CEL&P's cost-of-service study and resulting rate design. The Commission finds that Petitioner's cost-of-service study is accurate and should be used in establishing rates in this proceeding.

9. **Other Issues Addressed in the Settlement Agreement.** The Parties agreed to a number of other conditions with respect to accounting issues and CEL&P's relationship with its information and video services division, Accelplus. Petitioner agreed to comply with the policy adopted by the Utility Service Board of the City of Crawfordsville, Indiana on April 29, 2010 in Resolution No. 01, 2010 with respect to future dealings with Accelplus. A copy of Resolution No. 01, 2010 was attached to the rebuttal testimony of Phillip R. Goode as Petitioner's Exhibit PRG-R-1, and the policies established by the Board are enumerated in Section 6 of the Settlement Agreement, which is attached hereto and incorporated herein by reference. Petitioner also agreed to use its best efforts to obtain repayment from Accelplus of certain prior loans made by CEL&P to Accelplus.

Petitioner also agreed to comply with certain reporting requirements, including: (i) providing the OUCC with monthly invoices submitted to Accelplus and the check remitted by Accelplus to compensate CEL&P for services rendered; (ii) providing copies of future audit reports issued by the State Board of Accounts; and (iii) notifying the OUCC if its Board makes a determination to sell, decommission, or otherwise dispose of CEL&P's 24 MW electric generating facility. The first two reporting requirements will continue for a period of two years, or until such time as Petitioner receives an unqualified audit or examination report from the

Indiana State Board of Accounts, whichever period is longer. During the same period, and notwithstanding its right to proceed under IC 8-1.5-3-9, Petitioner agreed not to withdraw from Commission jurisdiction for approval of rates and charges and the issuance of stocks, bonds, notes, or other evidence of indebtedness.

10. **Settlement Agreement.** The Settlement Agreement states the Parties agree that the terms and conditions set forth therein represent a fair, reasonable and just resolution of all the issues in this Cause. The Settlement Agreement further provides that it shall not be construed nor be cited as precedent by any person or deemed an admission by any Party in any other proceeding except as necessary to enforce its terms before the Commission, or before any court of competent jurisdiction on these particular issues.

11. **Commission Discussion and Ultimate Findings.** After reviewing the terms of the Parties' Settlement Agreement, we find it is reasonable, that the terms of the Settlement Agreement are in the public interest, and that it represents a desirable and lawful resolution of the matters at issue in this proceeding. Therefore, we find that the Settlement Agreement should be approved in its entirety, without change.

With regard to future use, citation, or precedent of the Settlement Agreement, we find our approval of the terms of the Settlement Agreement should be construed in a manner consistent with our finding in *In Re Richmond Power & Light*, Cause No. 40434, Order dated March 19, 1997.

IT IS, THEREFORE, ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement, a copy of which is attached to this Order, shall be and hereby is approved in its entirety, consistent with the findings herein. The terms and conditions thereof shall be and hereby are incorporated herein as part of this Order.

2. Petitioner is hereby authorized to increase its annual revenue from retail rates and charges as to produce additional operating revenues from retail sales of \$1,699,669 and total pro forma operating revenues of \$30,894,501, representing a 5.81% increase in rates and charges for the sale of electricity to retail customers, as shown in Joint Settlement Exhibit 1.

3. Petitioner is hereby authorized to use the cost of service study prepared by The Prime Group, LLC to establish a new schedule of rates and charges implementing the authorized increase in operating revenues.

4. Petitioner shall file with the Electricity Division of the Commission new schedules of rates and charges before placing in effect the rate increase authorized herein, which schedules, when approved by the Electricity Division, shall be effective and shall cancel all previously approved schedules of rates and charges in conflict therewith.

5. Petitioner shall comply with the reporting requirements and all other conditions set forth in the Settlement Agreement.

6. Petitioner shall pay the following itemized charges within twenty (20) days from the date of this Order to the Secretary of the Commission:

Commission Charges
Reporting Charges
Legal Advertising Charges
Utility Consumer Charges
TOTAL

\$

7. This Order shall be effective on and after the date of its approval.

HARDY, ATTERHOLT, LANDIS, MAYS AND ZIEGNER CONCUR:
APPROVED:

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

Brenda A. Howe
Secretary to the Commission

**BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE PETITION OF
CRAWFORDSVILLE ELECTRIC LIGHT
& POWER FOR APPROVAL OF A NEW
SCHEDULE OF RATES AND CHARGES
FOR ELECTRIC SERVICE**

CAUSE NO. 43773

**SUPPLEMENTAL TESTIMONY
IN SUPPORT OF SETTLEMENT OF
PAUL G. GARCIA**

**SENIOR CONSULTANT
THE PRIME GROUP, LLC**

**On Behalf of the Petitioner,
Crawfordsville Electric Light & Power**

Petitioner's Exhibit PGG-S

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Paul G Garcia and my business address is The Prime Group, LLC, 6001
3 Claymont Village Drive, Crestwood, Kentucky, 40014.

4 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I am a Senior Consultant for The Prime Group, LLC, a firm located in Crestwood,
6 Kentucky, providing consulting and educational services in the areas of cost of service,
7 rate design, utility marketing and regulatory analysis.

8 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR**
9 **WORK EXPERIENCE.**

10 A. I received a Bachelor of Science degree in Business from Indiana University
11 concentrating in Accounting and Business Economics in 1982. From January 1983 until
12 April, 2000, I was employed by Louisville Gas and Electric Company / Kentucky
13 Utilities Company. I held positions in Accounting, Gas Supply and Rates and Economic
14 Research. My last position was that of Rate and Regulatory Coordinator in which I was
15 responsible for natural gas regulatory filings, as well as electric filings with the Federal
16 Energy Regulatory Commission. I have prepared cost of service studies and rate design
17 studies for well over 50 investor-owned, cooperative and municipal utilities across the
18 United States.

1 **Q. DID YOU SUBMIT DIRECT TESTIMONY IN THIS PROCEEDING?**

2 A. No. However, under the direction and supervision of William Steven Seelye, of The
3 Prime Group, LLC, who provided direct, rebuttal and supplemental testimony on behalf
4 of the Petitioner in this proceeding, I assisted with the preparation of the following:
5 Crawfordsville Electric Light & Power's ("CEL&P") electric revenue requirements, the
6 class cost of service study, and the proposed rates and charges for electric service.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. The purpose of my testimony is to sponsor the proposed revenue requirement set forth in
9 the Stipulation and Settlement Agreement between the Indiana Office of Utility
10 Consumer Counselor ("OUCC") and CEL&P (the "Settlement Agreement"). A summary
11 of the agreed-upon revenue requirement is shown in Exhibit PGG-1.

12 **Q. DID CEL&P ACCEPT ALL OF THE PRO FORMA ADJUSTMENTS DESCRIBED**
13 **IN THE PRE-FILED TESTIMONY OF DUANE P. JASHEWAY FILED ON**
14 **BEHALF OF THE OUCC?**

15 A. For the most part yes. The Parties, however, agreed as part of the settlement process to
16 modify Mr. Jasheway's proposed labor adjustment.

17 **Q. PLEASE DESCRIBE THE STIPULATED CHANGE TO MR. JASHEWAY'S**
18 **PROPOSED LABOR ADJUSTMENT.**

1 A. Mr. Jasheway proposed to decrease CEL&P's labor costs by \$195,142, largely related to
2 the allocation of labor costs to Accelplus. In the Settlement Agreement, labor expenses
3 were lowered by \$103,225, instead of Mr. Jasheway's proposed \$195,142 reduction.

4 **Q. WHY WAS MR. JASHEWAY'S PROPOSED ADJUSTMENT ONLY**
5 **PARTIALLY ACCEPTED?**

6 A. Mr. Jasheway's proposed adjustment was based on his concern that CEL&P employees
7 may not be correctly allocating time spent working for Accelplus. However, each
8 CEL&P employee that splits his or her time between the two divisions completes a time
9 sheet every day. CEL&P then invoices Accelplus for the pro rata payroll costs associated
10 with those employees. In the Settlement Agreement, CEL&P has agreed to provide the
11 OUCC with the invoices sent to Accelplus on a monthly basis. This will allow the
12 OUCC to confirm that payroll costs attributable to Accelplus are being paid by
13 Accelplus.

14 **Q. HOW WAS THE AGREED-UPON LABOR EXPENSE ADJUSTMENT OF**
15 **\$103,225, ESTABLISHED?**

16 A. The agreed-upon adjustment was a compromise between the litigating positions of
17 CEL&P and the OUCC. CEL&P believes all payroll costs are allocated correctly
18 between the electric utility and Accelplus. The OUCC contended that some further
19 adjustment was necessary because the onus is on employees to allocate their time
20 appropriately – and if they do not their salary is allocated to CEL&P by default. As a

1 compromise, the Parties agreed to the \$103,225 adjustment as reasonable for ratemaking
2 purposes.

3 **Q. WHAT RATE OF RETURN WAS USED TO DETERMINE REVENUE**
4 **REQUIREMENTS IN THE SETTLEMENT AGREEMENT?**

5 A. In the Settlement Agreement, revenue requirements were determined using a 4.63% rate
6 of return on CEL&P's net plant. This rate of return reflects the 30-year U.S. Treasury
7 yield, as set forth in the government bond report published by Bloomberg. The May 7,
8 2010 Bloomberg report is attached to my testimony as Exhibit PGG-2.

9 **Q. IN YOUR OPINION IS 4.63% A REASONABLE RETURN ON NET PLANT?**

10 A. In my opinion, yes. As Mr. Seeyle testified in his rebuttal testimony, yields on long-term
11 Treasury bonds with terms in excess of 20 years are typically used as a starting point for
12 determining municipal utility rates of return. Furthermore, a risk premium component is
13 often added to the yield associated with a long-term treasury note. In this case, the
14 Parties have agreed to just use the 30-year U.S. Treasury yield, without adding any
15 amount for a risk premium. It is my understanding that this produces a rate of return
16 consistent with, if not lower than, the rates of return approved by the Commission in
17 recent municipal electric utility rate cases. See, *Re City of Peru, Indiana*, Cause No.
18 43200 (approved June 13, 2007), in which the Commission approved a 5.76% rate of
19 return and *Re City of Richmond, Indiana*, Cause No. 42713 (approved February 9, 2005),
20 in which the Commission approved a 5.10% return on Petitioner's net plant in service.

1 **Q. WERE ANY OTHER CHANGES TO CEL&P'S PROPOSED REVENUE**
2 **REQUIREMENTS REQUIRED TO DETERMINE THE REVENUE**
3 **REQUIREMENTS IN THE SETTLEMENT AGREEMENT?**

4 A. Yes, there were two changes. Consistent with what I am advised is Commission practice,
5 CEL&P's annual revenue requirements were adjusted to include interest income as an
6 offset to operating revenues. This resulted in a reduction to pro forma operating revenues
7 of \$77,904. Also, consistent with Commission practice, Property Held for Future Use
8 was removed from Net Plant in Service before calculating the return. This resulted in a
9 reduction to Net Utility Plant in the amount of \$302,647 from what is shown in
10 Petitioner's evidence on Exhibit WSS-5.

11 **Q. HAVE YOU PREPARED AN ANALYSIS SHOWING THE IMPACT OF THE**
12 **PROPOSED REVISED RATES RESULTING FROM THE SETTLEMENT**
13 **AGREEMENT?**

14 A. Yes. An analysis showing the effect of the proposed settlement rates is included in
15 Exhibits PGG-3 and PGG-4. Petitioner's Exhibits PGG-3 and 4 show the proposed
16 increase for each rate class.

17 **Q. IN YOUR OPINION, ARE THE AGREED UPON RATES AND CHARGES**
18 **REASONABLE AND JUST RATES AND CHARGES FOR SERVICE?**

19 A. Yes. The agreed upon rates and charges will allow CEL&P to pay for the legal and
20 necessary expenses incident to the operation of the utility and earn a reasonable return on

1 its investment in net plant. I believe a 5.81% rate increase after 18 years is more than
2 reasonable.

3 **Q. HAVE YOU PREPARED REVISED RATE SCHEDULES BASED ON THE**
4 **TERMS OF THE SETTLEMENT AGREEMENT?**

5 A. Yes. Copies of the revised rate schedules, in red-line and clean format, are attached as
6 Petitioner's Exhibits PGG-5 and 6.

7 **Q. IN YOUR OPINION, ARE THE RATES REFLECTED IN PETITIONER'S**
8 **EXHIBITS PGG-5 AND PGG-6 IN THE PUBLIC INTEREST?**

9 A. In my opinion, yes. The proposed rates and charges more accurately reflect cost-of-
10 service and reduce subsidy/excess revenues by customer class. I further recommend that
11 the Commission approve the proposed rates and charges.

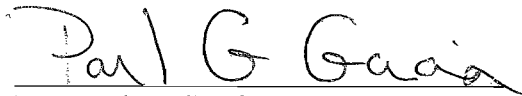
12 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

13 A. Yes, it does.

VERIFICATION

STATE OF KENTUCKY)
) ss:
COUNTY OF OLDHAM)

The undersigned, Paul G. Garcia, under penalties of perjury and being first duly sworn on his oath, says that he caused to be prepared and read the foregoing Supplemental Testimony in Support of Settlement; and that the representations set forth therein are true and correct to the best of his knowledge, information and belief.



By: Paul G. Garcia
The Prime Group, LLC

Subscribed and sworn to before me, a Notary Public, this 26th day of May, 2010.



Signature

Helene D. Williams

Printed Name

Notary Public, State at Large, KY

My Commission Expires: My commission expires Jan. 23, 2013

My County of Residence: Jefferson

Crawfordsville Electric Light & Power
Cause No. 43773

Description:	Per Petitioner As corrected	Per OUCC	Settlement
Operating Revenue	30,214,240	29,194,832	29,194,832
Operating Expenses (less depreciation expense)	29,214,291	27,535,687	27,627,604
Taxes	1,147,595	1,093,422	1,093,422
Depreciation	1,368,038	1,368,038	1,368,038
Less: Pro Forma Interest Income			(77,904)
Less: Adjusted Net Operating Income	(1,515,684)	(802,316)	(816,328)
Net Operating Income (Return on Plant)	1,407,505	(0)	859,546
Increase in Operating Income	2,923,189	802,316	1,675,874
Add: Additional Indiana Utility Receipts Tax	0.986	0.986	0.986
Net Revenue Increase Required	2,964,695	813,707	1,699,669
Percentage Increase	9.81%	2.79%	5.81%
Rate of Return	7.50%	0.00%	4.63%

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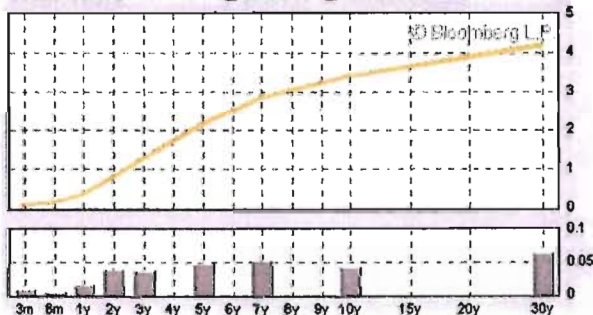
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U.S. Treasuries

	COUPON	MATURITY DATE	CURRENT PRICE/YIELD	PRICE/YIELD CHANGE	TIME
3-MONTH	0.000	08/05/2010	0.11 / .11	0.007 / .007	08:38
6-MONTH	0.000	11/04/2010	0.17 / .17	0.004 / .004	08:38
12-MONTH	0.000	05/05/2011	0.36 / .37	0.015 / .015	08:38
2-YEAR	1.000	04/30/2012	100-11 / .82	-0-02+ / .039	08:37
3-YEAR	1.750	04/15/2013	101-08 / 1.31	-0-03+ / .037	08:37
5-YEAR	2.500	04/30/2015	101-12 1/2 / 2.20	-0-07+ / .049	08:38
7-YEAR	3.125	04/30/2017	101-14 / 2.90	-0-10+ / .051	08:38
10-YEAR	3.625	02/15/2020	101-16 / 3.44	-0-11+ / .049	08:38
30-YEAR	4.625	02/15/2040	105-31+ / 4.27	-1-04 / .067	08:38

YIELD CURVE

CURRENT PREVIOUS CLOSE



INFLATION INDEXED TREASURY

	COUPON	MATURITY DATE	CURRENT PRICE/YIELD	PRICE/YIELD CHANGE	TIME
5-YEAR	0.500	04/15/2015	100-14 / .41	-0-10 / .059	08:39
10-YEAR	1.375	01/15/2020	100-25 / 1.29	-0-16 / .056	08:39
20-YEAR	2.500	01/15/2029	111-25 / 1.76	-1-02 / .063	08:39
30-YEAR	2.125	02/15/2040	107-05 / 1.81	-1-26 / .078	08:38

Municipal Bonds

NATIONAL MUNICIPAL BOND YIELDS:
TRIPLE-A RATED, TAX-EXEMPT GENERAL OBLIGATION BONDS

	CURRENT YIELD	PREVIOUS YIELD	CHANGE IN YIELD	28% EQ YIELD	1 WEEK PRIOR YIELD	1 MONTH PRIOR YIELD	6 MONTH PRIOR YIELD
2-YEAR	0.71%	0.71%	0.00%	0.99%	0.71%	0.76%	0.82%
5-YEAR	1.81%	1.80%	0.01%	2.51%	1.78%	1.86%	1.96%
7-YEAR	2.47%	2.47%	0.00%	3.43%	2.46%	2.54%	2.62%
10-YEAR	3.14%	3.16%	-0.02%	4.36%	3.15%	3.32%	3.36%
15-YEAR	3.81%	3.82%	-0.01%	5.29%	3.82%	3.91%	3.94%
20-YEAR	4.08%	4.09%	-0.01%	5.67%	4.08%	4.08%	4.18%
30-YEAR	4.42%	4.42%	0.00%	6.14%	4.44%	4.46%	4.51%

As of July 1st 2009 Bloomberg L.P. will no longer be designated a
Market Data Repository

Exhibit PGG-2

Crawfordsville Electric Light & Power

Test-Year Revenue Increase

Per Period Ended March 31, 2009

IURC Cause No. 43773

Petitioner's Exhibit PGG -3

Page 1 of 1

Rate Schedule	Adjusted Revenue	Increase	Percentage Increase
Rate RS - Residential	\$ 7,225,934	589,607	8.16%
Rate GP - General Power Service	4,219,856	301,146	7.14%
Rate PP - Primary Power Service	11,837,969	458,253	3.87%
Rate PPOP - Primary Power Off-Peak Service	4,714,114	311,131	6.60%
Municipal Street Lights	148,226	11,127	7.51%
Municipal General Power Service	111,509	9,092	8.15%
Outdoor Lights	110,199	8,158	7.40%
Traffic Lights	17,126	843	4.92%
Sub-Total	\$ 28,384,933	\$ 1,689,357	
Miscellaneous Revenues	\$ 516,036.51	8,145	
Grand Total	\$ 28,900,969.37	\$ 1,697,501.79	

Crawfordsville Electric Light & Power
Calculations To Reconstruct Test Period Billing Determinants
Period Ended March 31, 2009

Rate RS - Residential Service

	<i>Billed Facility Charges</i>	<i>Per Meter per month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
Customer Charge	97,156	\$ 4.75	\$ 461,491.00	\$ 15.00	\$ 1,457,340.00
Energy Charge					
	<i>kWh</i>	<i>Rate per kWh</i>			
First 500 kWh	41,904,380	0.0621800	\$ 2,605,614.35	0.0760700	\$ 3,187,666.19
Next 500 kWh	22,736,813	0.0577300	1,312,596.21	0.0760700	\$ 1,729,589.36
All kWh above 1,000	18,939,889	0.0533000	1,009,496.08	0.0760700	\$ 1,440,757.36
	83,581,082		4,927,706.64		\$ 6,358,012.91
Sub Total			\$ 5,389,197.64		\$ 7,815,352.91
Energy Cost Adjustment			\$ 1,836,562.70		\$ -
Sub-total before application of correction factor			\$ 7,225,760.34		\$ 7,815,352.91
Correction Factor			0.99997591		0.99997591
Total Rate			\$ 7,225,934.41		\$ 7,815,541.19
Proposed Increase					\$ 589,606.78
Percentage Increase					8.200%

Crawfordsville Electric Light & Power
Calculations To Reconstruct Test Period Billing Determinants
Period Ended March 31, 2009

Rate GP - General Power Service

		<i>Billed Facility Charges</i>	<i>Per Meter per month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
Customer Charge						
	Single Phase	14,220	\$ 12.00	\$ 170,640.00	\$ 20.00	\$ 284,400.00
	Three Phase	3,675	\$ 15.00	\$ 55,125.00	\$ 23.00	\$ 84,525.00
		17,895		\$ 225,765.00		\$ 368,925.00
Energy Charge						
		<i>kWh</i>	<i>Rate per kWh</i>			
	All kWh	50,924,237	0.05748	\$ 2,927,125.13	0.08153	\$ 4,151,853.03
Sub Total				\$ 3,152,890.13		\$ 4,520,778.03
Energy Cost Adjustment				\$ 1,066,757.24		\$ -
Sub-total before application of correction factor				\$ 4,219,647.37		\$ 4,520,778.03
Correction Factor				0.99995053		0.99995053
Total Rate				\$ 4,219,856.13		\$ 4,521,001.68
Proposed Increase						\$ 301,145.55
Percentage Increase						7.100%

Crawfordsville Electric Light & Power
Calculations To Reconstruct Test Period Billing Determinants
Period Ended March 31, 2009

Rate PP - Primary Power Service

		<i>Billed Facility Charges</i>	<i>Per Meter per month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
Customer Charge		1,011	\$ -	\$ -	\$ -	\$ -
Energy Charge						
	All kWh	kWh 198,345,190	Rate per kWh 0.022674	\$ 4,497,278.83	0.0284400	\$ 5,640,937.19
Demand Charge						
	KVA	kVA 418,000	Rate per kW \$ 9.93	\$ 4,150,741.29	\$ 18.85	\$ 7,879,302.45
Transformer Allowance						
	KVA	136,838	\$ (0.30000)	\$ (41,051.43)	\$ (0.30000)	\$ (41,051.43)
Sub Total				\$ 8,606,968.69		\$ 13,479,188.21
Energy Cost Adjustment				\$ 4,050,896.34		\$ -
Plant Closing Adjustment						
Energy Charge (kWh)		(14,889,420)	0.022674	\$ (337,602.71)	0.0284400	\$ (423,455.10)
Energy Cost Adjustment (kWh)		(14,889,420)		\$ (174,743.87)		\$ (174,743.87)
Demand Charge (kVa)		(31,083)	\$ 9.93	\$ (308,654.78)	\$ 18.85	\$ (585,915.66)
				\$ (821,001.35)		\$ (1,184,114.63)
Sub-total before application of correction factor				\$ 11,836,863.68		\$ 12,295,073.58
Correction Factor				0.99990665		0.99990665
Total Rate				\$ 11,837,968.75		\$ 12,296,221.43
Proposed Increase						\$ 458,252.68
Percentage Increase						3.900%

Crawfordsville Electric Light & Power
Calculations To Reconstruct Test Period Billing Determinants
Period Ended March 31, 2009

Rate PPOP - Primary Power Off Peak Service

		<i>Billed Facility Charges</i>	<i>Per Meter per month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
Customer Charge		72	\$ -	\$ -	\$ -	\$ -
Energy Charge		<i>kWh</i>	<i>Rate per kWh</i>			
All kWh	76,718,352	0.022674		\$ 1,739,511.90	0.028440	\$ 2,181,869.92
Demand Charge		<i>kVA</i>	<i>Rate per kW</i>			
KVA	152,218	\$ 9.93		\$ 1,511,526.83	\$ 18.85	\$ 2,869,313.26
Transformer Allowance		<i>kVA</i>				
KVA	86,441.60	\$ (0.30000)		\$ (25,932.48)	\$ (0.30000)	\$ (25,932.48)
Sub Total				\$ 3,225,106.25		\$ 5,025,250.70
Energy Cost Adjustment				\$ 1,489,012.94		\$ -
Sub-total before application of correction factor				\$ 4,714,119.19		\$ 5,025,250.70
Correction Factor				1.00000104		1.00000104
Total Rate				\$ 4,714,114.29		\$ 5,025,245.47
Proposed Increase						\$ 311,131.18
Percentage Increase						6.600%

Crawfordsville Electric Light & Power

Calculations To Reconstruct Test Period Billing Determinants

Period Ended March 31, 2009

Rate SL - Municipal Street Light Service

<i>Type of Lamp</i>	<i>Lamp Count</i>	<i>Rate per Lamp per Month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
150 Watt HPS	3,024	\$ 5.71	\$ 17,267.04	\$ 6.84	\$ 20,684.16
100 Watt HPS	13,284	3.81	50,612.04	4.47	59,379.48
250 Watt HPS	4,236	15.23	64,514.28	18.13	76,798.68
400 Watt HPS	84	24.75	2,079.00	29.63	2,488.92
300 lumen Filament	-	11.26	-	12.43	-
175 Watt MV	-	6.50	-	7.04	-
250 Watt MV	-	9.24	-	10.14	-
400 Watt MV	-	15.50	-	17.23	-
1000 Watt MV	-	37.01	-	41.59	-
	20,628				
Sub Total			\$ 134,472.36		\$ 159,351.24
Energy Cost Adjustment	<i>kWh</i> 1,155,736		\$ 13,751.63		\$ -
Sub-total before application of correction factor			\$ 148,223.99		\$ 159,351.24
Correction Factor			0.99998894		0.99998894
Total Rate			\$ 148,225.63		\$ 159,353.00
Proposed Increase					\$ 11,127.37
Percentage Increase					7.500%

Crawfordsville Electric Light & Power

Calculations To Reconstruct Test Period Billing Determinants

Period Ended March 31, 2009

Rate GP - General Power Service Municipal

		<i>Billed Facility Charges</i>	<i>Per Meter per month</i>	<i>Calculated Revenue at Present Rates</i>	<i>Proposed Rates</i>	<i>Calculated Revenue at Proposed Rates</i>
Customer Charge						
	Single Phase	370	\$ 12.00	\$ 4,440.00	\$ 20.00	\$ 7,400.00
	Three Phase	204	\$ 15.00	\$ 3,060.00	\$ 23.00	\$ 4,692.00
		574		\$ 7,500.00		\$ 12,092.00
Energy Charge						
		<i>kWh</i>	<i>Rate per kWh</i>			
	All kWh	1,330,861	0.05748	\$ 76,497.89	0.08153	\$ 108,505.10
Sub Total						
				\$ 83,997.89		\$ 120,597.10
Energy Cost Adjustmant						
				\$ 27,507.13		\$ -
Sub-total before application of correction factor						
				\$ 111,505.02		\$ 120,597.10
Correction Factor						
				0.99996825		0.99996825
Total Rate						
				\$ 111,508.56		\$ 120,600.93
Proposed Increase						
	Percentage Increase					\$ 9,092.37 8.200%

Crawfordsville Electric Light & Power

Calculations To Reconstruct Test Period Billing Determinants

Period Ended March 31, 2009

Rate OL - Outdoor Lighting Service

Type of Lamp	Lamp Count	Rate per Lamp per Month	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
175 W MV	1,210	\$ 6.17	\$ 7,465.70	\$ 7.61	\$ 9,208.10
400 WMV	851	13.75	11,701.25	17.34	14,756.34
100 W HPS	8,980	3.58	32,148.40	4.22	37,895.60
250 W HPS	5,185	8.85	45,887.25	10.89	56,464.65
	16,226				
Sub Total			\$ 97,202.60		\$ 118,324.69
Energy Cost Adjustment	kWh 1,104,277		\$ 12,966.48		\$ -
Sub-total before application of correction factor			\$ 110,169.08		\$ 118,324.69
Correction Factor			0.99973012		0.99973012
Total Rate			\$ 110,198.82		\$ 118,356.63
Proposed Increase					\$ 8,157.81
Percentage Increase					7.400%

Crawfordsville Electric Light & Power
 Calculations To Reconstruct Test Period Billing Determinants
 Period Ended March 31, 2009

Rate TS - Traffic Signal Service

Type of Lamp	Count	Rate per signal per Month	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
Traffic Signal	315	\$ 31.11	\$ 9,799.65	\$ 48.70	\$ 15,340.50
Flasher Light	360	7.12	2,563.20	7.32	2,635.20
	675				
Sub Total			\$ 12,362.85		\$ 17,975.70
Energy Cost Adjustment	kWh 148,291		\$ 4,769.50		\$ -
Sub-total before application of correction factor			\$ 17,132.35		\$ 17,975.70
Correction Factor			1.00035501		1.00035501
Total Rate			\$ 17,126.27		\$ 17,969.32
Proposed Increase					\$ 843.05
Percentage Increase					4.900%

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule PP
(Primary Power Service)

Availability

Available through one meter to any customer having a maximum load requirement of 50 kilowatts or more. Applicant must be located adjacent to the Utility's transmission or distribution line that is adequate and suitable for supplying the service requested.

Character of Service

Alternating current having a frequency of sixty Hertz and furnished at a voltage which is standard with the Utility in the area served.

Rate*

Demand Charge ----- \$ 18.85 per KVA of billing demand
Energy Charge ----- \$0.02844 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the demand charge.

Determination of Peak Demand and Measurement of Energy

Peak demand shall be measured by suitable recording instruments provided by Utility and shall be the average number of kilovolt-amperes in the fifteen minute period during which the kilovolt-ampere demand is greater than any other fifteen-minute interval in such month. For those customers who are not being metered by the use of a recording instrument, the peak demand, expressed in kilovolt-amperes, shall be the average number of kilowatts in the recorded fifteen-minute interval in such month during which the energy metered is greater than in any other such fifteen-minute interval in such month, divided by the lagging power factor (expressed as a decimal) calculated for the month. For billing purposes, the billing demand shall be the greater of the peak demand occurring during the month or fifty (50) KVA. Energy shall be measured by suitable integrating instruments.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule PP
(Primary Power Service)
(Continued)

Metering Adjustment

If service is metered at a voltage of approximately 480 volts or lower, the peak demand and energy measurements shall be increased by two percent (2%) to convert such measurements to the equivalent of metering at the Utility's primary voltage.

Equipment Adjustment

When customer furnishes and maintains the complete substation equipment, including any and all transformers, and/or switches and/or the equipment necessary to take his entire service at the primary voltage of the transmission or distribution line from which service is to be received, a credit of \$0.30 per KVA of billing demand will be applied to each month's net bill.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule RS
(Residential Service)

Availability

Available for residential electric service through one meter to individual residential customers in an individual residence or apartment and for single phase farm service when supplied through the farm residence meter.

Character of Service

Alternating current, sixty Hertz, single phase at a voltage of approximately 120 volts two-wire, 120/240 volts three-wire, or 120/208 volts three-wire as designated by the Utility.

Rate*

Customer Charge -----\$ 15.00 per meter per month
Energy Charge-----\$0.07607 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

Special Terms and Conditions

This rate schedule is available for single phase service only. Where three-phase service is required and/or where such service will be used for commercial or industrial purposes, the applicable rate schedules will apply to such service.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule GP
(General Power Service)

Availability

Available through one meter to any customer for light and/or power purposes whose maximum load requirements do not exceed 50 Kilowatts and where the customer is located on the Utility's distribution lines suitable for supplying the service requested.

Character of Service

Alternating current, sixty Hertz, single phase at approximately 120 volts two-wire or 120/240 volts three-wire, or three-phase at approximately 240 volts, or 120/208 volts where available.

Rate*

Customer Charge

Single Phase ----- \$ 20.00 per meter per month

Three Phase ----- \$ 23.00 per meter per month

Energy Charge ----- \$0.08153 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule OL
(Outdoor Lighting Service)

Availability

Available only for continuous year-round service for outdoor lighting to any customer located adjacent to an electric distribution line of Utility that is adequate and suitable for supplying the service requested.

Character of Service

Outdoor Lighting Service using lamps available under this rate schedule.

Rate*

<u>Type of Lamp</u>	<u>Rate per Lamp per Month</u>
175 watt mercury vapor	\$ 7.61
400 watt mercury vapor	\$ 17.34
100 watt sodium vapor	\$ 4.22
250 watt sodium vapor	\$ 10.89

Hours of Lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

Ownership of System

All facilities installed by Utility for service hereunder including fixtures, controls, poles, transformers, secondary lines, lamps and other equipment shall be owned and maintained by the Utility. All service and necessary maintenance will be performed only during regularly scheduled working hours of the Utility. Non-operative lamps will normally be restored to service within two working days after notification by customer.

When customer requests that a lamp be mounted on customer's building or pole, customer shall waive any claim for damages caused by such installation and/or removal of secondary and lamp support.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule OL
(Outdoor Lighting Service)
(Continued)

Terms of Service

Any customer requesting service under this rate schedule shall make written application for such service for an initial period of one year, and such service shall continue from year to year thereafter unless cancelled by either party. The facilities installed by the Utility shall remain the property of the Utility and may be removed by the Utility if service is discontinued.

Additional Facilities

This rate schedule is based in lighting fixtures which can be installed on an existing distribution type wood or other supporting device and served from existing secondary facilities, with not more than one span of secondary. If additional facilities are required to furnish service, the Utility will install, operate, and maintain such facilities. The labor, materials and overhead cost of installation of such additional facilities and maintenance expense thereof shall be at the customer's expense.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule SL
(Municipal Street Lighting Service)

Availability

Available for street lighting within the corporate limits of the City of Crawfordsville, Indiana.

Character of Service

Municipal Street Lighting Service using lamps available under this schedule.

Rate*

<u>Type of Lamp</u>	<u>Rate per Lamp per Month</u>
100 watt sodium vapor	\$ 4.47
150 watt sodium vapor	\$ 6.84
250 watt sodium vapor	\$ 18.13
400 watt sodium vapor	\$ 29.63

Facilities

All facilities necessary for the service hereunder, including all poles, fixtures, street lighting circuits, transformers, lamps, and other necessary facilities will be furnished and maintained by the Utility.

Hours of Lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule TS
(Traffic Signal Service)

Availability

For service to the traffic signal system belonging to the City of Crawfordsville, the State of Indiana, or any other agency legally authorized to own, operate, and maintain a traffic signal system in conjunction with the regulation of traffic at "controlled intersections" of public streets or highways.

Character of Service

Alternating current, sixty Hertz, single phase, at approximately 120 volts or 120/240 volts.

Rate*

Traffic Signal -----	\$ 48.70 per month per signal
Flasher Light -----	\$ 7.32 per month per signal

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule PPOP
(Primary Power Off Peak Service)

Availability

Available to any customer taking electric service under the provisions of Rate Schedule PP (Primary Power Service).

Rate

The rates and charges and all provisions included in the currently approved Rate Schedule PP shall apply except as provided for below.

Measurement of Peak Demand

Peak demand shall be measured by suitable recording instruments and, in any month, the peak demand for the on-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such on-peak hours and the peak demand for the off-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such off-peak hours. Such measured kilovolt-ampere demands shall be adjusted in accordance with the Metering Adjustment provision of Rate Schedule PP.

Monthly Billing Demand

The Monthly Billing Demand for any month shall be the greatest of (1) the peak demand established during the on-peak hours for the month or (2) fifty percent of the peak demand established during the off-peak hours for the month, but in any month such Monthly Billing Demand shall not be less than 100 kilovolt-amperes.

On-Peak/Off-Peak Periods

Utility shall consider the following as the on-peak and off-peak billing periods for each session. All hours shall be Eastern Standard Time.

On-Peak periods are defined as follows:

All Weekdays

Summer Period: June through September; 9:00 a.m. to 10:00 p.m.

Winter Period: December through March; 7:00 a.m. to 9:00 p.m.

Spring/Fall: October, November, April, May; 7:00 a.m. to 9:00 p.m.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule PPOP
(Primary Power Off Peak Service)
(Continued)

Off-Peak periods are defined as weekends, all other hours not listed above, and the entire twenty-four (24) hours of the following National holidays:

New Year's Day
Memorial Day
Independence Day

Labor Day
Thanksgiving Day
Christmas Day

Whenever any of the above holidays occur on a Sunday and the following Monday is legally observed as a holiday, the entire twenty-four (24) hours of such Monday will be considered as off-peak hours.

Special Terms and Conditions

The availability of off-peak service shall be limited to an aggregate demand of not more than 30,000 kilowatts on a first come, first serve basis.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER
CRAWFORDSVILLE, INDIANA

APPENDIX A
(for months of A, B, C, 20XX)

RATE ADJUSTMENT

The Rate Adjustment shall be on the basis of a Purchase Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved December 13, 1989 in Cause No. 36835-S3 as follows:

Rate Adjustments applicable to the below listed Rate Schedules are as follows:

Residential	\$	per KWH
General Power		per KWH
Primary Power		per KVA
Primary Power		per KWH
Outdoor Lighting		per KWH
Street Lighting		per KWH
Traffic Signal		per KWH

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE RS
(RESIDENTIAL SERVICE)

Availability

Available for residential electric service through one meter to individual residential customers in an individual residence or apartment and for single phase farm service when supplied through the farm residence meter.

Character of Service

Alternating current, sixty Hertz, single phase at a voltage of approximately 120 volts two-wire, 120/240 volts three-wire, or 120/208 volts three-wire as designated by the Utility.

Rate*

Customer Charge -----\$ ~~4.75~~ 15.00 per meter per month
Energy Charge:
For the first 500 KWH ----- \$ 0.06218 per KWH
For all KWH above 500 KWH ----- \$ 0.05773 per KWH
For all KWH above 1000 KWH ----- \$ 0.05330 per KWH
Energy Charge ----- \$0.07607 per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

Special Terms and Conditions

This rate schedule is available for single phase service only. Where three-phase service is required and/or where such service will be used for commercial or industrial purposes, the applicable rate schedules will apply to such service.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE GP
(GENERAL POWER SERVICE)

Availability

Available through one meter to any customer for light and/or power purposes whose maximum load requirements do not exceed 50 kilowatts and where the customer is located on the Utility's distribution lines suitable for supplying the service requested.

Character of Service

Alternating current, sixty Hertz, single phase at approximately 120 volts two-wire or 120/240 volts three-wire, or three-phase at approximately 240 volts, or 120/208 volts where available.

Rate*

Customer Charge

Single Phase -----\$ ~~1220~~.00 per meter per month

Three Phase -----\$ ~~4523~~.00 per meter per month

Energy Charge -----\$0.0~~67488153~~ per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the customer charge.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE PP
(PRIMARY POWER SERVICE)

Availability

Available through one meter to any customer having a maximum load requirement of ~~2550~~ kilowatts or more. Applicant must be located adjacent to the Utility's transmission or distribution line that is adequate and suitable for supplying the service requested.

Character of Service

Alternating current having a frequency of sixty Hertz and furnished at a voltage which is standard with the Utility in the area served.

Rate*

Demand Charge -----\$ ~~0.9318.85~~ per KVA of billing demand
Energy Charge -----\$0.02~~2674844~~ per KWH for all KWH

Minimum Charge

The minimum monthly charge shall be the demand charge.

Determination of Peak Demand and Measurement of Energy

~~Peak demand shall be the average number of kilovoltamperes
in the fifteen minute period during which the kilovoltampere demand
is greater than any other fifteen-minute interval in such month.~~

~~Peak demand shall be measured by suitable recording instruments provided by Utility and shall be the average number of kilovolt-amperes in the fifteen minute period during which the kilovolt-ampere demand is greater than any other fifteen-minute interval in such month. For those customers who are not being metered by the use of a recording instrument, the peak demand, expressed in kilovolt- amperes, shall be the average number of kilowatts in the recorded fifteen-minute interval in such month during which the energy metered is greater than in any other such fifteen-minute interval in such month, divided by the lagging power factor (expressed as a decimal) calculated for the month. For billing purposes, the billing demand shall be the greater of the peak demand occurring during the month or fifty (50) KVA. Energy shall be measured by suitable integrating instruments.~~

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE PP
(PRIMARY POWER SERVICE)
(CONTINUED)

Metering Adjustment

If service is metered at a voltage of approximately 480 volts or lower, the peak demand and energy measurements shall be increased by two percent (2%) to convert such measurements to the equivalent of metering at the Utility's primary voltage.

Equipment Adjustment

When customer furnishes and maintains the complete substation equipment, including any and all transformers, and/or switches and/or the equipment necessary to take his entire service at the primary voltage of the transmission or distribution line from which service is to be received, a credit of \$0.30 per KVA of billing demand will be applied to each month's net bill.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE OL
(OUTDOOR LIGHTING SERVICE)

Availability

Available only for continuous year-round service for outdoor lighting to any customer located adjacent to an electric distribution line of Utility that is adequate and suitable for supplying the service requested.

Character of Service

Outdoor Lighting Service using lamps available under this rate schedule.

Rate*

<u>Type of Lamp</u>	<u>Rate per Lamp per Month</u>
175 watt mercury vapor	\$ 6.17 <u>7.61</u>
400 watt mercury vapor	\$ 13.75 <u>17.34</u>
100 watt sodium vapor	\$ 3.58 <u>4.22</u>
250 watt sodium vapor	\$ 8.85 <u>10.89</u>

Hours of Lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

Ownership of System

All facilities installed by Utility for service hereunder including fixtures, controls, poles, transformers, secondary lines, lamps and other equipment shall be owned and maintained by the Utility. All service and necessary maintenance will be performed only during regularly scheduled working hours of the Utility. Non-operative lamps will normally be restored to service within two working days after notification by customer.

When customer requests that a lamp be mounted on customer's building or pole, customer shall waive any claim for damages caused by such installation and/or removal of secondary and lamp support.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule OL
(Outdoor Lighting Service)
(Continued)

Terms of Service

Any customer requesting service under this rate schedule shall make written application for such service for an initial period of one year, and such service shall continue from year to year thereafter unless cancelled by either party. The facilities installed by the Utility shall remain the property of the Utility and may be removed by the Utility if service is discontinued.

Additional Facilities

This rate schedule is based in lighting fixtures which can be installed on an existing distribution type wood or other supporting device and served from existing secondary facilities, with not more than one span of secondary. If additional facilities are required to furnish service, the Utility will install, operate, and maintain such facilities. The labor, materials and overhead cost of installation of such additional facilities and maintenance expense thereof shall be at the customer's expense.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE PPOP
(PRIMARY POWER OFF PEAK SERVICE)

Availability

Available to any customer taking electric service under the provisions of Rate Schedule PP (Primary Power Service).

Rate

The rates and charges and all provisions included in the currently approved Rate Schedule PP shall apply except as provided for below.

Measurement of Peak Demand

Peak demand shall be measured by suitable recording instruments and, in any month, the peak demand for the on-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such on-peak hours and the peak demand for the off-peak hours shall be the highest fifteen-minute kilovolt-ampere demand measured during such off-peak hours. Such measured kilovolt-ampere demands shall be adjusted in accordance with the Metering Adjustment provision of Rate Schedule PP.

Monthly Billing Demand

The Monthly Billing Demand for any month shall be the greatest of
(1) the peak demand established during the on-peak hours for the month
or (2) fifty percent of the peak demand established during the off-peak hours for the month, but in any month such Monthly Billing Demand shall not be less than 100 kilovolt-amperes.

On-Peak/Off-Peak Periods

Utility shall consider the following as the on-peak and off-peak billing periods for each session. All hours shall be Eastern Standard Time.

On-Peak periods are defined as follows:

All Weekdays

Summer Period: June through September; 9:00 a.m. to 10:00 p.m.

Winter Period: December through March; 7:00 a.m. to 9:00 p.m.

Spring/Fall: October, November, April, May; 7:00 a.m. to 9:00 p.m.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

RATE SCHEDULE PPOP
(PRIMARY POWER OFF PEAK SERVICE)
(CONTINUED)

Off-Peak periods are defined as weekends, all other hours not listed above, and the entire twenty-four (24) hours of the following National holidays:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

Whenever any of the above holidays occur on a Sunday and the following Monday is legally observed as a holiday, the entire twenty-four (24) hours of such Monday will be considered as off-peak hours.

Special Terms and Conditions

The availability of off-peak service shall be limited to an aggregate demand of not more than 30,000 kilowatts on a first come, first serve basis.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule SL
(Municipal Street Lighting Service)

Availability

Available for street lighting within the corporate limits of the City of Crawfordsville, Indiana.

Character of Service

Municipal Street Lighting Service using lamps available under this schedule.

Rate*

	Type of Lamp	Rate per Lamp per Month	
4	100 watt sodium vapor	\$ 4.47	Deleted: 3.81
	150 watt sodium vapor	\$ 6.84	Deleted: 5.71
	250 watt sodium vapor	\$ 18.13	Deleted: 5.23
	400 watt sodium vapor	\$ 29.63	Deleted: 4.75

Facilities

All facilities necessary for the service hereunder, including all poles, fixtures, street lighting circuits, transformers, lamps, and other necessary facilities will be furnished and maintained by the Utility.

Hours of Lighting

All lamps shall burn approximately one-half hour after sunset until approximately one-half hour before sunrise each day in the year, approximately 4,000 hours per annum.

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

Rate Schedule TS
(Traffic Signal Service)

Availability

For service to the traffic signal system belonging to the City of
Crawfordsville,
the State of Indiana, or any other agency legally authorized to own,
operate,
and maintain a traffic signal system in conjunction with the regulation of
traffic
at "controlled intersections" of public streets or highways.

Character of Service

Alternating current, sixty Hertz, single phase, at approximately 120 volts or
120/240 volts.

Rate*

Traffic Signal -----	\$ 31.11 per month per signal
Flasher Light -----	\$ 7.12 per month per signal

* Subject to the provisions of Appendix A and B.

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
CRAWFORDSVILLE, INDIANA

APPENDIX A
(for months of A, B, C, 20XX)

RATE ADJUSTMENT

The Rate Adjustment shall be on the basis of a Purchase Power Cost Adjustment Tracking Factor occasioned solely by changes in the cost of purchased power and energy, in accordance with the Order of the Indiana Utility Regulatory Commission, approved December 13, 1989 in Cause No. 36835-S3 as follows:

Rate Adjustments applicable to the below listed Rate Schedules are as follows:

Residential	\$	per KWH
General Power		per KWH
Primary Power		per KVA
Primary Power		per KWH
Outdoor Lighting		per KWH
Street Lighting		per KWH
Traffic Signal		per KWH

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

APPENDIX B

(NON-RECURRING CHARGES)

<u>DESCRIPTION OF CHARGE</u>	<u>CHARGE</u>
Return Check Charge	The greater of \$15.00 or 5% (but not more than \$250) of the amount of the check
Reconnect/Disconnect Charge	\$205 .00 during normal Utility hours \$60100 .00 outside of normal Utility hours
Meter Test	\$25.00 if customer requests a meter test less frequent than in a 36-month period and upon test, the meter accuracy is less than 3% error.
Service Deposit	Minimum of \$2550 .00 for Residential Service Minimum of \$60100 .00 for General Power & Primary Power Service
Service Call	\$85150 .00 outside of normal Utility hours
Late Payment Charge	10% of the first \$3.00 or less of the current unpaid balance plus 3% of the excess of \$3.00

of the current unpaid balance

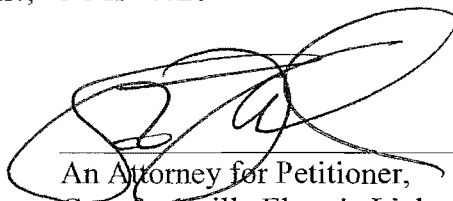
Temporary Charge

~~\$480.00~~ when no more than a
single span service drop and
meter are required

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Verified Supplemental Testimony and Exhibits in Support of Settlement of Phillip R. Goode and Paul G. Garcia" was served by personal delivery, electronic mail or first-class United States mail, postage prepaid, this 28th day of May, 2010, on the following:

Terry Tolliver
Indiana Office of Utility Consumer Counselor
National City Center
115 W. Washington St., Suite 1500 South
Indianapolis, Indiana 46204

A handwritten signature in black ink, appearing to be "J. A. [unclear]", written over a horizontal line.

An Attorney for Petitioner,
Crawfordsville Electric Light & Power

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